

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 11 – SB 921

February 14, 2017

SUMMARY OF BILL: Enacts the “Tennessee Hearing Protection Act” which repeals the offense of intentionally or knowingly possessing, manufacturing, transporting, repairing, or selling a “firearm silencer”.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$200

Increase Local Revenue – \$100

Assumptions:

- Tennessee Code Annotated § 39-17-1302 prohibits any person from intentionally or knowingly possessing, manufacturing, transporting, repairing, or selling a firearm silencer. Illegally possessing, manufacturing, transporting, repairing, or selling a firearm silencer is a class E felony.
- It is a defense to Tenn. Code Ann. § 39-17-1302 that the person acquiring or possessing a firearm silencer is in compliance with the National Firearms Act (NFA), 26 U.S.C. §§ 5841-5862. To this end, most owners of firearm silencers carry the necessary paperwork showing compliance with the NFA.
- The proposed legislation repeals this offense of intentionally or knowingly possessing, manufacturing, transporting, repairing, or selling a firearm silencer. A person wishing to own or possess a firearm silencer would still need to comply with the NFA. However, a person wishing to possess a firearm silencer in Tennessee would not commit an offense by failing to show compliance with the NFA.
- Statistics from the Administrative Office of the Courts show an average of 438.8 convictions for class E felony possessing, manufacturing, transporting, repairing, or selling a prohibited weapon. Statistics from the Department of Correction show an average of 4.5 admissions, approximately one percent of convictions, each year for class E felony possessing, manufacturing, transporting, repairing, or selling a prohibited weapon.
- Further, research yields only one result of an arrest for possessing a firearm silencer within the last three years. In that case, the charges were ultimately dismissed. It is assumed that repealing the class E felony of intentionally or knowingly possessing,

manufacturing, transporting, repairing, or selling a firearm silencer will not significantly impact state incarceration costs.

- It is assumed that some individuals will be incentivized to purchase firearm silencers as a result of the proposed legislation. It is assumed that three additional firearm silencers will be purchased in Tennessee each year.
- The average price for a firearm silencer is approximately \$1,000. The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent; and the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- The recurring increase in state sales tax revenue is estimated to be \$202 $\{[(\$1,000 \times 7.0\%) - (\$1,000 \times 7.0\% \times 3.617\%)] \times 3\}$.
- The recurring increase in local sales tax revenue is estimated to be \$83 $\{[(\$1,000 \times 2.5\%) + (\$1,000 \times 7.0\% \times 3.617\%)] \times 3\}$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/trm